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CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED
中國汽車新零售（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

PLACING OF BONDS

Sole Placing Agent

CIS Securities Asset Management Limited



THE PLACING AGREEMENT

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Listing Rules.

On 23 January 2020, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company agreed to appoint and the Placing Agent agreed to act as the sole placing agent and during the Placing Period to procure, on a best efforts basis, the Subscribers to subscribe for the Bonds of not more than an aggregate principal amount of HK\$200,000,000.

The Bonds are transferable (in whole or in part) in whole multiples of HK\$500,000.

Completion of the Placing of Bonds is subject to fulfillment of the conditions precedent under the Placing Agreement and the Placing Agent's right of termination of the Placing of Bonds under the terms and conditions of the Placing Agreement. Accordingly, the Placing of Bonds may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Listing Rules.

THE PLACING AGREEMENT

Date: 23 January 2020 (after trading hours)

Parties

Issuer: the Company

Placing Agent: CIS Securities Asset Management Limited

To the Directors' knowledge having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the Placing Agreement, the Company agreed to appoint and the Placing Agent agreed to act as the sole placing agent and during the Placing Period to procure, on a best efforts basis, the Subscribers to subscribe for the Bonds of not more than an aggregate principal amount of HK\$200,000,000. The Bonds are transferable (in whole or in part) in whole multiples of HK\$500,000.

Subscribers

The Bonds will be placed to Subscribers who will be independent professional, institutional and/or other private investors, and who and whose ultimate beneficial owners are Independent Third Parties of the Company.

Placing Period

The placing period shall commence from the date of the Placing Agreement and ending on the date on which the subscription of the Bonds by the Subscribers is completed, but in any event shall not be later than 31 December 2020.

Conditions precedent

The Placing Agreement shall take effect upon the satisfaction of the following conditions precedent:

- (i) all necessary consents and approvals as may be obtained by the Company and the Placing Agent having been obtained for the Placing of Bonds; and
- (ii) there being no events, facts or circumstances that constitute a breach of the Placing Agent's warranties in the Placing Agreement.

The Company has the right to notify the Placing Agent in writing at any time to waive the satisfaction of the condition precedent stated in (ii) above. If any of the conditions precedent under the Placing Agreement as mentioned above is not satisfied on or before 12:00 noon on 1 February 2020 or a later date mutually agreed by the Company and the Placing Agent in writing, the Placing Agreement shall cease to take effect, and save for any antecedent breach of the Placing Agreement occurred before its termination, the respective liabilities and obligations of the Company and the Placing Agent shall be released accordingly.

Completion

Within three months after the execution of the Subscription Agreement by the Subscriber, the Placing Agent shall make all reasonable effort to procure the Subscriber to settle the entire subscription monies for the relevant amount of Bonds to be subscribed from the Placing Agent so as to ensure that the application for the subscription of Bonds is valid.

Principal terms of the Bonds

The principal terms of the Bonds are summarised as below:

- Principal amount: The aggregate principal amount of the Bonds I and/or the Bonds II and/or the Bonds III shall be not more than HK\$200,000,000

- Issue Price: 100% of the principal amount

- Maturity date: The respective maturity date of the Bonds will be falling on their respective anniversary as stated below (or, if that is not a Business Day, the first Business Day thereafter)
 - (i) Bonds I
 the first anniversary of the Issue Date

 - (ii) Bonds II
 the second anniversary of the Issue Date

 - (iii) Bonds III
 the third anniversary of the Issue Date

Interest:	<p>The Bonds shall accrue interest on the outstanding principal amount of the Bonds at the annual interest rate from and including the respective Issue Date of such Bonds. Interest is due and payable on 31 December of each year or the maturity date of the Bonds, whichever is earlier</p> <p>(i) Bonds I annual interest rate of 6.0%</p> <p>(ii) Bonds II annual interest rate of 8.0%</p> <p>(iii) Bonds III annual interest rate of 9.0%</p>
Form and Denomination:	In registered form in the denomination of HK\$500,000 each or to be issued in its whole multiples, increase progressively for every HK\$100,000 thereafter
Status:	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and the status of each Bondholder shall at all times rank <i>pari passu</i> with that of other Bondholders and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations
Transferability:	Any transfer of the Bonds to other transferees shall be subject to the prior written consent of the Company. Any transfer of Bonds shall be made for the entire outstanding principal amount of such Bonds or in whole multiples of HK\$500,000. Subject to the compliance of the Listing Rules and requirements of the Stock Exchange, if any, none of the Bonds may be transferred to a connected person of the Company

Event of default:	If any of the event of default as described in the terms and conditions of the Bonds occurs, then at any time thereafter and upon approval by a Bondholders' resolution passed at a Bondholders' meeting held in accordance with the rules and procedures as set out in the instrument constituting the Bonds or by written approval from Bondholders holding not less than 50% of the outstanding principal of the Bonds, a Bondholder may give notice to the Company to the effect that the outstanding principal of the Bonds is required to be redeemed by the Company in full. Upon such notice being given to the Company, the Bonds will immediately become due and repayable at their full outstanding principal amount together with accrued interest. The redemption monies shall be settled in accordance with the Placing Documents on the Business Day that falls on the fifteenth (15) day upon the issue of notice
Early redemption by the Company:	Upon giving not less than fifteen (15) days' prior written notice to any Bondholder, the Company may at any time redeem the respective Bonds, in whole or in part, held by such Bondholder at not less than 100% of the total principal amount of such Bonds together with payment of interests accrued up to the date of such early redemption. For the avoidance of doubt, no early redemption may be requested by the Bondholder
Mandatory redemption:	The terms of the Bonds provide that in the event of a default event or any breach of specified financial ratio requirements, the Bonds shall be mandatorily redeemed by the Company, and at any time thereafter, the Bondholder(s) can, unless the event of default being waived by the Bondholder(s) in accordance with the terms of the Bonds, give written notice to the Company for the full redemption (not in part) of such Bonds by the Company at the outstanding principal amount of the Bonds together with accrued interest, and the redemption amount shall become due and payable on the Business Day falling on the tenth (10) day after the issue of notice
Listing:	No application will be made by the Company for the listing of the Bonds

REASONS FOR THE PLACING OF BONDS AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in imported cars trading. The Group operates through five segments, namely the car-sale segment which carries out the trading of imported cars; the manufacturing and trading segment which manufactures and trades plastic and metallic household products; the retail segment which manages department stores and undergoes supermarket operations; the wholesale segment which carries out the wholesale of wine and beverage and electrical appliances business; and the investments holding segment which manages the investments in debt and equity securities.

The Company intends to use the net proceeds from the Placing of Bonds for the Group's working capital. The Directors consider that the Placing of Bonds can enhance the financial strength of the Company and the terms of the Placing Documents are on normal commercial terms and fair and reasonable. The Board is of the view that the Placing of Bonds is in the interests of the Company and the Shareholders as a whole.

Completion of the Placing of Bonds is subject to fulfillment of the conditions precedent under the Placing Agreement and the Placing Agent's rights of termination of the Placing of Bonds under the terms and conditions of the Placing Agreement. Accordingly, the Placing of Bonds may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Bonds”	collectively, the Bonds
“Bond(s)”	comprising (i) the Bonds I and/or (ii) the Bonds II and/or (iii) the Bonds III with an aggregate principal amount of not more than HK\$200,000,000 pursuant to the Placing Agreement, the details of which are set out in the paragraphs under “Principal terms of the Bonds” of this announcement
“Bonds I”	the unlisted bonds which bear interest at the rate of 6.0% per annum and will mature on the first anniversary of the Issue Date
“Bonds II”	the unlisted bonds which bear interest at the rate of 8.0% per annum and will mature on the second anniversary of the Issue Date

“Bonds III”	the unlisted bonds which bear interest at the rate of 9.0% per annum and will mature on the third anniversary of the Issue Date
“Bondholder”	the holder(s) of the relevant Bonds
“Business Day”	any day (excluding a Saturday, Sunday and public holiday) on which commercial banks in Hong Kong are generally open for business
“Company”	China Automobile New Retail (Holdings) Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 0526)
“Completion”	completion of the subscription of the Bonds in accordance with the provisions of the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company
“Issue Date”	the date on which the Bonds are issued under the Subscription Agreement for the completion of implementation and the issuance of the Bonds
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing Agent”	CIS Securities Asset Management Limited, a licensed corporation under the Securities and Futures Ordinance to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities, acting as the sole placing agent of the Bonds under the Placing Agreement

“Placing Agreement”	the placing agreement dated 23 January 2020 and entered into between the Company and the Placing Agent in relation to the Placing of Bonds
“Placing Documents”	the Placing Agreement, the Subscription Agreement, the bond instruments of the Bonds, and any other documents that may be specified from time to time and agreed by the Company and the Placing Agent for this purpose in connection with the transactions contemplated thereunder
“Placing of Bonds”	the placing of the Bonds pursuant to the terms of the Placing Documents
“Placing Period”	has the meaning ascribed to it under the paragraph heading “Placing Period” in the section headed “Placing Agreement” of this announcement
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	any person or entity that is procured by the Placing Agent and/or any of its agents to subscribe for any such Bonds in accordance with the terms of the Placing Agreement
“Subscription Agreement”	the agreement proposed to be entered into between the Company and the Subscriber for the subscription and issue of the Bonds and in accordance with the Placing Agreement

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

By order of the Board
CHINA AUTOMOBILE NEW RETAIL (HOLDINGS) LIMITED
Tong Shiping
Executive Director

Hong Kong, 23 January 2020

As at the date of this announcement, the Board comprises Mr Tong Shiping (Chairman and Chief Executive Officer), Mr Li Lixin, Mr Cheng Jianhe and Ms Jin Yaxue being executive Directors, Ms Cheng Weihong being non-executive Director, Mr He Chengying, Mr Cheung Kiu Cho Vincent, Mr Shin Yick Fabian and Mr Kwong Kwan Tong being independent non-executive Directors.